

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2989

ANSWERED ON:02.12.2016

CIBIL Report

Choudhary Shri Ram Tahal;Jadhav Shri Prataprao Ganpatrao;Nishad Shri Ajay

Will the Minister of FINANCE be pleased to state:

- (a) whether the Credit Information Bureau India Limited (CIBIL) scores are important to secure a loan from lenders and if so, the details thereof;
- (b) whether the Government has received any complaints against financial institutions / banks for denying loans on the basis of reports received from the CIBIL and if so, the details thereof during each of the last three years and the current year, bank and State-wise;
- (c) whether the CIBIL is sharing incomplete information about the customer taken from financial institutions / banks and if so, the details thereof;
- (d) whether the Government has any proposal to formulate policy with the provision that the financial institutions / banks cannot share information without knowledge of customers; and
- (e) if so, the details thereof and if not, the measures taken / being taken by the Government to make people aware about CIBIL in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (e) : Reserve Bank of India (RBI), vide its circular dated June 27, 2014, has advised banks and financial institutions that Banks/FIs should include in their credit appraisal processes/loan policies, suitable provisions for obtaining Credit Information Reports (CIR) from one or more Credit Information Companies (CICs) so that the credit decisions are based on information available in the system. The information contained in the CIR (which contains credit score) would be one of the factors that banks would consider before granting any credit facility to a prospective borrower. However, it will be the commercial judgment of the concerned credit institution to grant loan or other wise to such borrowers based on their Board approved policies.

RBI receives complaints in respect of Credit Information Bureau (India) Ltd. (CIBIL)'s reports. However, RBI does not maintain data of complaints received against banks for denying loans on the basis of reports received from CIBIL.

Credit Information Companies (CICs), [CIBIL is one of the CICs] disseminate information about the customers as reported to them by the banks / FIs and therefore, the responsibility for reporting correct information and also accuracy of facts and figures rests with the concerned banks and financial institutions. As the primary records on borrowal accounts are maintained by banks/FIs, they are responsible for update / modification, if any, in the relevant information.

The CIC Act provides statutory backing for sharing of credit information by Credit Institutions with credit information companies subject to conditions stipulated therein.

The management of loan sanctioning / recovery activity, in a bank is essentially an internal management function and each bank's Board is authorized to frame suitable policies. Accordingly, the process followed by banks while granting loans will be decided by individual banks as per their Board approved policy.
